

# **FULTON COUNTY INDUSTRIAL DEVELOPMENT AGENCY**

**THURSDAY**

**JUNE 5, 2014**

**8:00 A.M.**

**PLANNING DEPARTMENT CONFERENCE ROOM**

## **AGENDA**

**PRESENT:**

\_\_\_JOE GILLIS, CHAIRMAN  
\_\_\_LEN HOUSE, VICE CHAIRMAN  
\_\_\_WILLIAM SULLIVAN, TREASURER  
\_\_\_TODD RULISON, SECRETARY  
\_\_\_JOSEPH SEMIONE, MEMBER  
\_\_\_GEORGE BEVINGTON, MEMBER  
\_\_\_DIANA PUTNAM, MEMBER  
\_\_\_JAMES MRAZ, IDA EXECUTIVE DIRECTOR  
\_\_\_KARA LAIS, FITZGERALD, MORRIS, BAKER, FIRTH PC  
\_\_\_MIKE REESE, PRESIDENT, FULTON COUNTY CRG  
\_\_\_WILLIAM WALDRON, LIAISON  
\_\_\_LEADER HERALD

### **I. MINUTES FROM MARCH 26, 2014 MEETING:**

MOTION :  
MADE BY :  
SECONDED :  
VOTE :

### **II. BUDGET REPORT:**

MOTION :  
MADE BY :  
SECONDED :  
VOTE :

### **III. COMMITTEE REPORTS:**

#### **A. Nominating Committee:**

- No report.

#### **B. Audit Committee:**

- No report.

#### **C. Governance Committee:**

- No report.

#### **D. Finance Committee:**

- No report.

### **IV. OLD BUSINESS:**

#### **A. Lot Sale Payment from 1988 Incubator Building Project in Crossroads Industrial Park:**

- As part of the Authority Budget Office's (ABO) 2011 Compliance Review, the ABO found that, in 1987, the IDA donated 5.17 acres of land in the Crossroads Industrial Park to the Crossroads Incubator Corporation (CIC), with an understanding that if the land were to be transferred or sold, the IDA receive a payment for the lot.
- The CIC sold this property in 2007, but did not make a payment to the IDA.
- As a result, the IDA commenced an investigation into this 24 year old matter.
- The IDA's investigation determined that:
  - In 1988, the IDA provided 5.17 acres in the Crossroads Industrial Park to the CIC, at no cost, to use to construct an Incubator Building on the condition that the payment for the lots would be deferred until the property was sold. The lot sale price in 1988 was \$10,000/acre. Total price was \$51,700.
  - On February 1, 1988, the CIC executed a Collateral Security Mortgage in the amount of \$51,700.
  - On December 26, 2001, a Discharge of Mortgage was signed by the Chairman of the IDA stating that this Collateral Security Mortgage had been satisfied.
  - No record, however, was found verifying that the IDA actually received a payment in the amount of \$51,700 in December of 2001 from the CIC.
- Since this discovery was made, the IDA's Audit has included a note acknowledging this \$51,700 as an unknown receivable.
- The West & Company and IDA Counsel have both recommended that the IDA write off this amount as an uncollectable debt.
- At March 26, 2014 meeting, IDA members agreed to send former IDA Counsel J. Paul Kolodziej and former IDA Chairman Richard Smith letters asking if they had any knowledge or information regarding this matter.

- Kara Lais sent letters to both. No responses were received.

IDA DISCUSSION:

IDA ACTION:

MOTION: To authorize and approve writing off this \$51,700 unknown receivable from 1988 as an uncollectable debt.

MADE BY:

SECONDED:

VOTE:

**B. Tryon Technology Park and Incubator Center Project:**

1. Construction Project:

a. Phase I:

- Phase I of the Tryon Technology Park and Incubator Center Project includes:
  - Construction of new internal access road
  - Installation of new water lines
  - Installation of new wastewater lines
  - Repair wastewater pump stations
- Construction contract has been awarded to Jablonski Excavating to complete Phase I.
- Construction expected to start in June and be completed in October.

b. Phase II:

- Phase II became necessary when the NYS Department of Corrections and Community Supervision (DOCCS), which runs the Hale Creek Correctional Facility on Maloney Road, advised Fulton County recently that it was requiring that the water and wastewater lines servicing Tryon be disconnected from Hale Creek.
- When Tryon was first constructed in the mid-1960's, it was serviced by groundwater wells and an onsite wastewater collection and treatment system.
- As part of the Hale Creek Correctional Facility Project, the City of Gloversville agreed to have City water and wastewater lines extended to the Hale Creek Correctional Facility.
- Once they were installed to Hale Creek, the City of Gloversville agreed to have the NYS Office of Children and Family Services (OCFS) extend the City's water and wastewater lines from Hale Creek to Tryon.
- OCFS installed a waterline from the elevated tank at Hale Creek to the ground-mounted tank at Tryon. Water flows by gravity from the elevated tank at Hale Creek to the ground-mounted tank at Tryon.
- OCFS installed a new wastewater pump station at the southwest corner of Tryon. All wastewater generated from Tryon was redirected to this pump station. Wastewater was pumped from this pump station to the pump station at Hale Creek Correctional

Facility. That pump station then pumps wastewater from Hale Creek to the City of Gloversville.

- DOCCS is requiring that these water and wastewater lines going to Tryon be disconnected from the Hale Creek Correctional Facility.
- This will result in a Phase II project needing to be pursued. This project will consist of:
  1. Disconnecting the sewer force main from Hale Creek and redirecting it up along Maloney Road. In addition, larger wastewater pumps will need to be installed in the wastewater pumping station.
  2. The waterline coming from Hale Creek's elevated tank will need to be disconnected and rerouted onto Maloney Road. This will result in water no longer being able to flow by gravity from the City of Gloversville to the ground-mounted tank at Tryon. As a result, a new elevated tank and water pump station will be needed to pump water into this new elevated tank.
  3. The installation of additional water and wastewater lines.
- The next round of Consolidated Funding Applications are due on June 16, 2014.
- Fulton County will be submitting an application requesting grant funds to complete the Phase II project. This would be a 2015 Project.

2. Highway Department Work:

- Highway Department will be repaving the existing internal access road in 2014. This work will involve:
  - Widening road at intersection with County Road 107 to create left and right turn lanes for vehicles exiting site.
  - Install 1½" of new asphalt top over all existing roads.

3. Building Demolition:

- County's Demolition Team completed stripping the recyclable materials from the four (4) buildings to be demolished.
- Four (4) buildings are in process of being demolished.
- Currently waiting for National Grid to disconnect gas service to three (3) buildings.

4. Tryon Targeted Industry Analysis and Marketing Plan:

- Fulton County has hired DCG Corplan, Inc. of New Jersey to perform the work.
- Scope of work includes:
  - Prepare assessment of Fulton County region.
  - Prepare Labor Market Analysis.
  - Prepare Targeted Industry Analysis.
  - Prepare Tryon Marketing Plan that includes marketing strategy for each Targeted Industry Cluster.
  - Develop marketing materials.
  - Business Recruitment.
  - Prepare website dedicated to Tryon.
- Kick-off meeting held on May 30<sup>th</sup>.

5. Building 3:

a. Background:

- Building 3 is the complex of buildings comprising the Midas Building, Classrooms, Pool, Gym and Auditorium.

- In 2011, Office of Children and Family Services (OCFS) hired Postler and Jaeckle Mechanical Contractor of Rochester, NY to:
  - Remove components of plumbing fixtures and drain plumbing system.
  - Winterize heating system by adding glycol to system.
  - Shut down ventilation/air conditioning system.
- The Building's Heating, Ventilation and Air Conditioning System (HVAC) and Plumbing Systems have been off since 2011.
- In the summer of 2013, the combined effect of heat and humidity, lack of an operational ventilation system and closed windows resulted in interior moisture damage and mold forming.
- As a result, the following work needs to be performed:
  - Replace ceiling tiles
  - Discard miscellaneous items with moisture damage or mold
  - Remove mold
- In order to restart the HVAC system:
  - All components to plumbing fixtures must be reinstalled
  - Water needs to be turned on to building
  - Power must be turned back on to building
  - Boilers, pumps and other heating system components must be restarted
  - Ventilation system must be restarted
  - Chillers must be restarted
- Once all systems are restarted, determinations can be made then on whether problems exist, components are broken, pipes are broken etc.

b. HVAC Trades Program:

- FMCC desires to start an HVAC Trades Program to provide students opportunities to receive degrees in the heating, ventilation and air conditioning vocations.
- FMCC is interested in using space in the Midas Building component of Building 3.
- FMCC desires to have this new program ready for start of 2015 academic year.
- Presentation by Dr. Dustin Swanger, President, FMCC.

c. Work Needed Midas Building Component of Building 3:

- To use a portion of the Midas Building component of Building 3, the following work would have to be done:
  - Water must be turned on to building.
  - Power to building must be energized.
  - Building's HVAC system has to be restarted and made operational.
  - Building's Plumbing System must be restarted and made operational.
  - Mold must be cleaned.
  - Exterior doors should be replaced.
  - Room(s) to be used by HVAC Trades Program need the following work done:
    - Cleaned
    - Paint
    - Carpets cleaned/replaced

- Two (2) components of Jablonski Excavating's work is to:
  1. Recharge the water system
  2. Reenergize the electrical system;
- This work should be done in September, 2014.

d. Northern Borders Regional Commission (NBRC):

1. Background:
  - The Northern Borders Regional Commission (NBRC) was created in 2008 as part of the Federal Farm Bill.
  - The NBRC's focus is to help address the community and economic development needs of the most distressed portions of the Northern Forest Region.
  - 36 Counties in Maine, New Hampshire, Vermont and New York comprise the Region. Fulton County is one of 14 Counties in New York State in the Region.
  - In four (4) years, NBRC has awarded 30 grants totaling \$4.8 million. The average grant is \$160,000.
  - The NBRC annually requests applications for grants they award for various programs.
  - Next round of applications are due on June 30, 2014.
  - Grant awards are to be made during week of September 1, 2014.
  - The IDA is eligible for grants up to 80% of the project cost.
  - One program the NBRC awards grants for is Workforce Development Projects.
2. Grant Application:
  - It is recommended that the IDA apply for a NBRC grant to pay for 80% of the cost to prepare the Midas Building component of Building 3 for FMCC/HFM-BOCES to provide a new HVAC Trades Program.
  - This would be a Workforce Development Project.
  - The project would include:
    - Restarting and getting Building 3's HVAC and Plumbing Systems operational
    - Clean up mold
    - Replace two (2) sets of exterior doors
    - Paint
    - Replace ceiling tiles/lights
    - Room renovations.
  - Project Funding:
    - NBRC : 80%
    - FMCC : 20%

IDA DISCUSSION:

IDA ACTION:

MOTION: To authorize the submission of a Grant Application to the Northern Borders Regional Commission.

MADE BY:

SECONDED:

VOTE:

6. Lawn Mowing:

a. Background:

- Sent Request for Quotes (RFQ) to eight (8) local firms/persons to provide written quote to mow lawns at Tryon.
- Two (2) types of mowing requested:
  - 1) Brush hogging/flail mower work: 2 times
  - 2) Regular mower/weed wacking work: 4 times

b. Quote Received:

<b>Contractor</b>	<b>Brush Hog/Flail Mower Work</b>	<b>Regular Mowing/Weed Wacking</b>	<b>Total</b>
Greenscapes	\$5,200 or \$2,600 per	\$2,560 or \$640 per	\$7,760

- c. The IDA will pay for these costs upfront and then seek reimbursement from Fulton County.

IDA DISCUSSION:

IDA ACTION:

MOTION:

MADE BY:

SECONDED:

VOTE:

7. Invoice from Department of Solid Waste:

- Department of Solid Waste supplied open top containers for:
  - 1) Adirondack Auction Sales to dispose of junk as it prepared for Public Auction.
  - 2) County Facilities staff to dispose of ceiling tiles in Building 3.
  - 3) Disposal of debris from Building 56.
- Invoice #1 : \$202.50
- Invoice #2 : \$979.25

IDA DISCUSSION:

IDA ACTION:

MOTION: To authorize a payments of \$202.50 and \$979.25 to the Fulton County Department of Solid Waste for these two (2) invoices.

MADE BY:

SECONDED:

VOTE:

8. Future Invoices from Department of Solid Waste:

- a. Disposal of demolition debris from three (3) remaining buildings.
- b. Air monitoring for asbestos during demolition of three (3) remaining buildings.

9. Potential Timber Harvesting Project:

a. Background:

- Tryon consists of 515 acres of land many of which are wooded.
- There are several areas with hard wood trees (Maple, Oak and Cherry) that have potential value.
- Have asked a professional forester to inspect site and offer opinion on whether there is enough timber available to pursue a timber harvesting project.

b. Timber Harvest Project:

- IDA would hire a professional forester for a fixed fee.
- Forester would mark all trees to be harvested and measure each tree to estimate board feet of available timber.
- Forester would provide information needed for IDA to put project out to bid.
- IDA would then hire forester to oversee Timber Harvesting Project at a fee which is usually a percentage of total revenues generated by timber sale.

IDA DISCUSSION:

**V. NEW BUSINESS:**

**A. Request for Early Termination of Leases for IDA Properties:**

1. Background:

- The IDA currently leases the following buildings to STAG:
  - a. 199 Enterprise Drive, Johnstown Industrial Park
  - b. 200 Union Avenue, Johnstown Industrial Park



- STAG subleases the buildings to:
  - a. Vacant
  - b. Pioneer Windows
- Article XI of the Lease contains language dealing with early terminations:

**SECTION 11.1. EARLY TERMINATION OF THE LEASE AGREEMENT.** The Company shall have the option, at any time, to terminate the Lease Agreement by purchasing the Project Facility or to terminate this Lease Agreement pursuant to Section 7.1(c), upon compliance with the requirements set forth in Section 11.2 hereof, and payment to the Agency equal to \$1,000.00 per year of occupancy under this Lease Agreement, at any time after the 12<sup>th</sup> month hereof.

**SECTION 11.2. CONDITIONS TO EARLY TERMINATION OF THE LEASE AGREEMENT.** To exercise such option, the Company shall provide ninety (90) days written notice to the Agency and the Lender and shall specify therein the date of purchase or termination.

**SECTION 11.3. CONVEYANCE ON PURCHASE.** At the closing of the purchase of the Project Facility pursuant to Section 11.1 hereof, the Agency shall, deliver to the Company all necessary documents (a) to convey to the Company title to the Property being purchased, as the Property exists, subject only to the following: (i) any Liens to which title to such Property was subject when conveyed to the Agency, (ii) any Liens created at the request of the Company, or the creation of which the Company consented to or in the creation of which the Company acquiesced, (iii) any Permitted Encumbrances and (iv) any Liens resulting from the failure of the Company to perform or observe any of the agreements on its part contained in this Lease Agreement or arising out of an Event of Default, (b) to release and convey to the Company all of the Agency's rights and interest in and to any rights of action or any Net Proceeds of insurance or Condemnation awards with respect to the Facility, and (c) to discharge and release any security interest held by the Agency and to release any other liens or encumbrances held by the Agency and not set forth above. Upon delivery of such title by the Agency, the Company shall deliver a release and agreement that the exculpation provisions and the obligations of the company in Section 5.3(b) and 8.2 hereof, together with the obligation to insure the same, shall survive such conveyance on purchase of the Facility.

## 2. Request for Early Termination:

- On May 1, 2014, the IDA received a letter from STAG formally advising that STAG is exercising its right of early termination of this Lease, per Section 11.1 of the Lease.
- The IDA and STAG must complete the process to terminate this lease within 90 days or July 29, 2014.
- STAG has requested that the IDA approve this request by July 31, 2014.

## 3. Impacts of Early Termination of Lease Agreement:

- The existing Lease and PILOT would be terminated.
- The property would no longer be tax exempt.
- The property would immediately return to the tax rolls.
- The property would start making property tax payments and not PILOT payments.
- The IDA would no longer have to report these projects under PARIS after 2014.

## 4. Documents that will have to be executed by IDA for each early lease termination:

- Deed
- TP-584 Form

- RP-5217 Form

5. IDA Legal Fees:

- IDA would pay for cost of Kara Lais representing the IDA in this transaction.

6. Payment Due IDA:

- The lease to be terminated includes a provision whereby a payment is due the IDA if the lease is terminated early.
- This payment would be due at closing.
- Exact amount would be calculated at closing.

7. Review Resolutions:

- A. See attached.

IDA DISCUSSION:

IDA ACTION:

MOTION: To approve the resolution authorizing a deed conveyance from the Agency to STAG for the property at 199 Enterprise Drive, authorizing the execution and delivery of the same and authorizing the Chairman to execute the Lease Termination Agreement with STAG.

MADE BY:  
SECONDED:  
VOTE:

MOTION: To approve the resolution authorizing a deed conveyance from the Agency to STAG for the property at 200 Union Avenue, authorizing the execution and delivery of the same and authorizing the Chairman to execute the Lease Termination Agreement with STAG.

MADE BY:  
SECONDED:  
VOTE:

MOTION: To authorize a payment in the amount not-to exceed \$3,000 to Fitzgerald, Morris, Baker and Firth for legal services rendered in these two (2) transactions.

MADE BY:  
SECONDED:  
VOTE:

## **VI. OTHER BUSINESS:**

### **A. Executive Session:**

1. Upon a majority vote of its total membership, taken in an open meeting pursuant to a motion identifying the general area or areas of the subject or subjects to be considered, a public body may conduct an executive session for the below enumerated purposes only, provided, however, that no action by formal vote shall be taken to appropriate public moneys:
  - i. matters which will imperil the public safety if disclosed;
  - ii. any matter which may disclose the identity of a law enforcement agent or informer;
  - iii. information relating to current or future investigation or prosecution of a criminal offense which would imperil effective law enforcement if disclosed;
  - iv. discussions regarding proposed, pending or current litigation;
  - v. collective negotiations pursuant to article fourteen of the civil service law;
  - vi. the medical, financial, credit or employment history of a particular person or corporation, or matters leading to the appointment, employment, promotion, demotion, discipline, suspension, dismissal or removal of a particular person or corporation;
  - vii. the preparation, grading or administration of examinations;
  - viii. the proposed acquisition, sale or lease of real property or the proposed acquisition of securities, or sale or exchange of securities held by such public body, but only when publicity would substantially affect the value thereof.**

MOTION: To go into Executive Session to discuss, "the proposed acquisition, sale or lease of real property or the proposed acquisition of securities, or sale or exchange of securities held by such public body, but only when publicity would substantially affect the value thereof."

MADE BY :  
SECOND :  
VOTE :  
TIME :

MOTION : To go out of Executive Session.  
MADE BY :  
SECOND :  
VOTE :  
TIME :

## **VII. CLOSE MEETING:**

MOTION :  
MADE BY :  
SECONDED :  
VOTE :  
TIME :